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**SPECIAL UNION FOR THE INTERNATIONAL REGISTRATION OF MARKS
(MADRID UNION)**

ASSEMBLY

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FEE REDUCTION FOR APPLICANTS FROM LEAST DEVELOPED COUNTRIES

Document prepared by the International Bureau

I. INTRODUCTION

1. The Madrid System for the International Registration of Marks makes it easier and less costly for trademark owners from member countries to obtain and maintain trademark protection in other member countries, thereby contributing to enhance their capacity to compete more effectively in world markets. However, it appears that trademark owners from Least Developed Countries (LDCs) are not taking full advantage of the benefits offered by the Madrid System, possibly because of the broad developmental problems that they face.

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2. The recognition of the developmental problems of LDCs and the establishment of a list of LDCs by the United Nations date back to 1971¹. That list is kept and updated on a regular basis by the United Nations². It may be consulted on the United Nations website and on the WIPO website, at the following URLs, respectively: *www.un.org* and *www.wipo.int/eds.ldcs*.

3. At present, the list of LDCs comprises 50 States, of which seven are party to the Madrid System, namely: Bhutan, Lesotho, Liberia, Mozambique, Sierra Leone, Sudan and Zambia.

4. The significantly low level of use of the Madrid System by trademark owners from LDCs is confirmed by recent statistics. In the period 2003/2004, out of 53,345 international applications received by the International Bureau, only two originated from LDCs.

II. PROPOSAL

5. Several programs of WIPO currently focus, through various means, on strengthening the capacity of LDCs to take advantage of intellectual property as a tool for development. However, it would appear an additional measure could be taken to improve the ability of trademark owners from LDCs to benefit from the Madrid System by reducing the costs for applicants from LDCs to file applications under the procedures of the Madrid System.

6. In this context, it is hereby proposed that the Assembly of the Madrid Union decide to reduce the amount of the basic fee to be paid in connection with the international registration of a mark under the Madrid System for the benefit of applicants originating from LDC members of the Madrid System. The proposed fee reduction would only concern the basic fee payable to the International Bureau, which currently amounts to 653 or 903 Swiss francs (depending on whether the reproduction of the mark is in black and white or in color).

¹ Three criteria underlie the establishment of the list of LDCs: (1) a low-income, based on a three-year average estimate of the gross domestic product per capita; (2) a human resource weakness, involving a composite Augmented Physical Quality of Life Index based on indicators of (a) nutrition; (b) health; (c) education; and (d) adult literacy; and (3) an economic vulnerability, involving a composite Economic Vulnerability Index based on indicators of: (a) the instability of agricultural production; (b) the instability of exports of goods and services; (c) the traditional importance of non-traditional activities; (d) merchandise export concentration; (e) the handicap of economic smallness; and (f) the percentage of population displaced by natural disasters. To be added to the list of LDCs, a country must satisfy all three criteria.

² The listing of countries as "least developed" is established by the General Assembly of the United Nations on the recommendation of the Economic and Social Council (ECOSOC) and on the advice of the Committee for Development Policy (CDP). The list is reviewed every three years. Listing as an LDC is done in consultation with the government of the country concerned and only takes place with the government's consent. The current list dates from 2004.

7. The fee reduction would be offered to all applicants having a real and effective industrial or commercial establishment, or a domicile, in an LDC, or being a national of an LDC, and who use the trademark office of such LDC as the office of origin when applying for the international registration of a mark.

8. In order to be of real significance, it is proposed that the said basic fee be reduced to 10% of the standard amount (rounded to the nearest full figure for ease of administration). It would follow that, for qualified applicants, the amount of the basic fee payable would become 65 or 90 Swiss francs, depending on whether the reproduction of the mark is in black and white or in color (instead of, respectively, 653 or 903 Swiss francs).

9. Given the current figures concerning applications originating in LDC members of the Madrid System, the implementation of the proposed fee reduction would have virtually no financial impact on the budget of the Madrid Union.

10. In order to proceed with such fee reduction, the Assembly of the Madrid Union would need to amend the Schedule of Fees annexed to the Common Regulations under the Madrid Agreement and Protocol, through the inclusion of a Note under items 1.1, 2.1 and 3.1, as set out in the Annex to the present document.

11. In order to give the International Bureau adequate time to prepare for the implementation of the fee reduction for applicants from LDCs, it is proposed that the amendment to the Schedule of Fees should enter into force on January 1, 2006.

12. The Assembly of the Madrid Union is invited

(i) to adopt the amendment to the Schedule of Fees annexed to the Common Regulations, as set out in the Annex;

(ii) to decide that this amendment will enter into force on January 1, 2006.

[Annex follows]

ANNEX

PROPOSED AMENDMENT TO THE SCHEDULE OF FEES ANNEXED TO THE
COMMON REGULATIONS UNDER THE MADRID AGREEMENT AND PROTOCOL

SCHEDULE OF FEES

(in force on January 1, 2006)

Swiss francs

1. *International applications governed exclusively by the Agreement*
 - 1.1 Basic fee (Article 8(2)(a) of the Agreement)*
 - 1.1.1 where no reproduction of the mark is in color 653
 - 1.1.2 where any reproduction of the mark is in color 903
 - [...]
2. *International applications governed exclusively by the Protocol*
 - 2.1 Basic fee (Article 8(2)(i) of the Protocol)*
 - 2.1.1 where no reproduction of the mark is in color 653
 - 2.1.2 where any reproduction of the mark is in color 903
 - [...]
3. *International applications governed by both the Agreement and the Protocol*
 - 3.1 Basic fee*
 - 3.1.1 where no reproduction of the mark is in color 653
 - 3.1.2 where any reproduction of the mark is in color 903
 - [...]

[End of Annex and of document]

* For international applications filed by applicants whose country of origin is a Least Developed Country, in accordance with the list established by the United Nations, the basic fee is reduced to 10% of the prescribed amount (rounded to the nearest full figure). In such case, the basic fee will amount to 65 Swiss francs (where no reproduction of the mark is in color) or to 90 Swiss francs (where any reproduction of the mark is in color).

